
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
ADMINISTRATION COMMITTEE

July 12, 2007

MINUTES

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE ADMINISTRATION COMMITTEE. AUDIO CASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The Administration Committee held its meeting at the SCAG Offices, Downtown Los Angeles, CA. The meeting was called to order by Ronald Loveridge, Chair, Riverside. There was a quorum.

Members Present

Baldwin, Harry	City of San Gabriel
Burke, Yvonne	County of Los Angeles
Clark, Margaret	City of Rosemead
Dixon, Richard	City of Lake Forest
Edney, Jon (Vice Chair)	City of El Centro
Loveridge, Ronald (Chair)	City of Riverside
McCallon, Larry	City of Highland
Ovitt, Gary	County of San Bernardino
Roberts, Ron	City of Temecula
Wapner, Alan	City of Ontario
Washburn, Dennis	City of Calabasas

Other RC Members Present

Lantz, Paula	City of Pomona
--------------	----------------

Members Not Present

Aldinger, Jim	Manhattan Beach
Becerra, Glenn	City of Simi Valley
Lowenthal, Bonnie	City of Long Beach
Masiel, Andrew	Pechanga Band of Luiseno Mission Indians
Nowatka, Paul	City of Torrance
O'Connor, Pam	City of Santa Monica
Parks, Bernard	City of Los Angeles
Pettis, Greg	City of Cathedral City
Young, Toni	City of Port Hueneme

1.0 CALL TO ORDER & PLEDGE OF ALLEGIANCE

Hon. Ronald Loveridge, Chair, Riverside, called the meeting to order at 8:35 a.m.

2.0 PUBLIC COMMENT PERIOD

Richard Spicer commented and distributed a statement regarding SCAG's Retirees' recommendations and perspectives on SCAG's proposed GASB45 recommendations. Mr. Spicer further noted that he had comments to Item 5.1 on the agenda.

3.0 REVIEW and PRIORITIZE AGENDA ITEMS

None made.

4.0 CONSENT CALENDAR

4.1 Approval Items

4.1.1 Minutes of June 7, 2007 Meeting

4.1.2 Federal Aviation Administration
Grant Application for \$650,000

Hon. Wapner requested future Aviation Grants to be presented to the Aviation Task Force before going to the Administration Committee.

4.1.3 I-710 EIR/EIS Funding Agreement

4.1.4 Co-Sponsorship of UCLA Extension
Public Policy Program 2007
Arrowhead Symposium

4.1.5 Study Tour on Public Transportation
and Mobility in Switzerland

Motion was made by (Ovitt) to approve the Approval consent calendar items. Motion was seconded (McCallon) and unanimously approved.

4.2 **Receive & File**

- 4.2.1 Contracts/Purchase Orders and MOUs between \$5,000 - \$250,000 Attachment
- 4.2.2 Leadership Southern California Program Opportunity

Motion was made by (Baldwin) to approve the Receive and File consent calendar items. Motion was seconded (Ovitt) and unanimously approved.

5.0 **ACTION ITEMS**

- 5.1 GASB 45-Other Post Employment Benefits; Supplemental Defined Benefit Retirement Plan

Hon. Paula Lantz, Wayne Moore, CFO, and Debbie Dillon, HR Manager provided an overview of the recommendations from the GASB 45 Working Group regarding the GASB 45 matter. It was the recommendation that (a) For financial planning purposes, SCAG's contribution for retiree medical benefits should be increased by 2% triennially, commencing on July 1, 2009; and (b) SCAG should establish an irrevocable trust to accumulate related funding and should fund the supplemental defined benefit pension plan with a purchased annuity.

There was further discussion regarding SCAG's cafeteria plan and the amount of medical benefit provided to the active and retired employees. Debbie Dillon reported that by implementing the cafeteria plan, SCAG followed CalPERS guidelines and earmarked the same dollar amount for active and retired employees, of \$550.00 per month. Additionally, to maintain market competitiveness for recruiting & retaining employees, SCAG increased the overall contribution for all benefits for active employees to spend through the cafeteria plan. However, SCAG did not increase the contribution for medical for retirees which is permitted under the CalPERS regulations, so that the impact of GASB 45 could be evaluated.

Wayne Moore reported that SCAG's staff will be conducting their annual survey of benefits and peer group comparisons in January 2008. Staff anticipates coming back in January or February, 2008 to the Personnel Committee, the Administration Committee and to the Regional Council for further discussions and recommendations.

Richard Spicer, retiree, summarized the retirees' position on the proposed recommendations. The retirees supported the irrevocable trust to fund the post-employment medical benefit and also supported the purchase of an annuity to fund the pension benefit. The retirees felt that there was a commitment to keep parity between employee medical benefits and retiree medical benefits. The cafeteria plan broke that link, according to Mr. Spicer. Also the retirees asked that parity be retained between the employees and retirees for medical benefits. Finally, the retirees requested that the current monthly benefit of \$550.00 be increased to \$600.00 and with an increase in medical benefits by 2% annually.

Larry McCallon indicated that although the retirees' position was very important, those specific issues are not before the Committee at this time; only the GASB 45 planning recommendations were before the Committee that day. The Committee would consider Mr. Spicer's and the other retirees requests after the market survey had been completed and submitted to the policy committees for their recommendations.

Motion was made by (McCallon) to approve the GASB 45 planning recommendations. Motion was seconded (Dixon) and unanimously approved.

5.2 Regional Council Policy Manual

Joann Africa, Director of Legal Services, Chief Counsel (acting) provided additional details regarding the recommendation for the Regional Council to approve the Regional Council Policy Manual with amendments as recommended by the Communications and Membership Subcommittee and SCAG legal counsel.

The Board directed staff to make changes to Article VII regarding "Leadership Development" and to revise Section 1.1.a, regarding "District Representative Election Procedures" to indicate two-thirds (2/3) of the representatives of the SCAG Member Cities in each district.

Motion was made by (Roberts) to approve the policy manual with amendments as noted. Motion was seconded (Dixon) and unanimously approved.

5.3 Merit Pay Program

Gary Ovitt, Regional Council President, noted that he had questions regarding the Merit Pay Program and requested that this item be deferred to the Executive Committee for further discussion. He also asked that the current Merit Pay Program be extended 60 days, until the next Executive Committee meeting.

Motion was made by (Ovitt) to approve the 60 day extension and to defer matter to Executive Committee. Motion was seconded (Dixon) and unanimously approved.

6.0 INFORMATION ITEMS

6.1 Salary Administration and Tuition Reimbursement Revisions

Debbie Dillon, HR Manager gave a brief overview of the changes being implemented by Executive Management for this fiscal year. The changes included increasing the minimum salary for all salary ranges by eliminating the bottom 20% of all salary ranges to provide competitive starting salaries for entry level employees and maintaining salary equity between long service personnel and new hires. Also recommended was providing management discretion to increase up to 5% for promotions and reclassifications. These changes will help in maintaining internal equity and help employees move through ranges at a more competitive pace.

Regarding Tuition Reimbursement: A reimbursement equivalent to the CSU annual fee would be implemented. The current CSU fee is \$3,200. This increase will enhance retention and recruitment of the highest qualified employees at SCAG.

6.2 CFO Monthly Financial Report for May 2007

Wayne Moore, CFO provided a brief overview:

- The Repo Sweep program was implemented; SCAG is now earning 3.75% per annum on previously uninvested checking account balances; with an anticipated net gain of \$1,200 monthly interest income.
- Approval was received from FHWA for SCAG's OWP and Indirect Cost Budgets.
- Contracts is engaged in developing Scopes of Work and requests for proposals for this fiscal year's work program
- The Overall General Fund Budget will be under budget by \$200,000.

6.3 Reactivation of Investment Subcommittee

Wayne Moore, CFO provided that in light of the likely establishment of an Irrevocable Trust Fund for retiree healthcare benefits and, with the other Treasury related functions recently implemented, Committee oversight of these activities is required. Mr. Moore asked the Chair to reactivate the Investments Subcommittee with two appointments from Committee Members.

Hon. Ronald Loveridge recommended the Hon. Bernard Parks and Hon. Larry McCallon to sit on the Investment Subcommittee and welcomed any others that would like to participate. The Committee concurred with the recommendation.

7.0 STAFF REPORT

There was no Staff Report

8.0 FUTURE AGENDA ITEMS

None

9.0 ANNOUNCEMENTS

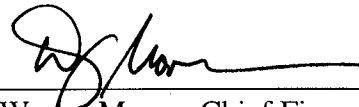
There were no announcements

10.0 ADJOURNMENT

Hon. Ronald Loveridge, Chair, adjourned the meeting at 9:40 a.m.

The next Administration Committee meeting will be held on Thursday, August 30, 2007 at the SCAG offices in downtown Los Angeles.

Minutes Approved by:

A handwritten signature in black ink, appearing to read 'Wayne Moore', is written over a horizontal line.

Wayne Moore, Chief Financial Officer
Staff to the Administration Committee

ADMINISTRATION COMMITTEE ATTENDANCE REPORT

2007

Member Information		X = County Represented						X = Attended				= No Meeting				NM = New Member				
Last Name	First Name	IC	LA	OC	RC	SB	VC	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Aldinger, Jim*	Manhattan Beach		X					X												
Baldwin, Harry*	San Gabriel		X					X	X		X		X	X						
Becerra, Glen*	Simi Valley						X													
Burke, Yvonne*	Los Angeles County		X					X	X		X		X	X						
Clark, Margaret*	Rosemead		X					X			X			X						
Dixon, Richard*	Lake Forest			X				X			X			X						
Edney, Jon* Vice Chair	El Centro	X						X	X	X	X		X	X						
Loveridge, Ronald, Chair*	Riverside				X				X	X			X	X						
Lowenthal, Bonnie	Long Beach		X																	
Masiel, Andrew*	T.A.S.I.N.					X				X	X									
McCallon, Larry*	Highland					X		X	X	X			X	X						
Nowatka, Paul*	Torrance		X					X	X	X	X		X							
O'Connor, Pam*	Santa Monica		X																	
Ovitt, Gary*	San Bernardino County					X			X		X		X	X						
Parks, Bernard*	Los Angeles		X					X												
Pettis, Gregory*	Cathedral City				X			X	X	X	X									
Roberts, Ron*	Temecula				X			X			X			X						
Wapner, Alan*	Ontario					X			X	X	X		X	X						
Washburn, Dennis*	Calabasas		X					X	X	X	X			X						
Young, Toni *	Port Hueneme						X		X	X	X		X							
Totals		1	9	1	3	4	2													

* Regional Council Member